



Aalto University
School of Business

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FEEDBACK GATHERING IN SPORT CENTRES AND ITS EFFECT ON SERVICE QUALITY

A Finnish case study

Pyry Laitinen

International Business
Bachelor's Thesis
Supervisor: Mirjaliisa Charles
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Title of thesis: Feedback Gathering in Sport Centres and Its Effect on Service Quality: A Finnish Case Study

Date: 8 April 2020

Degree: Bachelor of Science in Economics and Business Administration

Supervisor: Mirjaliisa Charles

Abstract

The objective of this study was to find out the current practices of customer feedback gathering in sport centres and how those affected the sport centre management decision making, especially when it comes to improving service quality. This study is justified by the lack of literature on the topic as well as the importance of customer feedback in the growing sport centre market. In this study sport centre is defined as a building where different sports can be played, differentiating it from sport stadiums and fitness centres.

The study explores this topic by reviewing the relevant literature on the topic and interviewing eight Finnish sport centre managers on the subject. The major findings of the study were that the interviewed Finnish sport centres used passive feedback gathering in their daily operations and used yearly surveys as their active feedback gathering method. They stated that their goals were to find improvement ideas and problems in the sport centre.

The study also found that positive feedback was more common in the interviewed Finnish sport centres and they relied heavily on word of mouth to gain new customers. Comparatively, the international methods of gathering customer feedback found through the literature review were more analytical in nature, whereas the Finnish methods were more practical and focused on immediate response.

Key words: customer feedback, sport centre, service quality, Finland

Language: English

Grade:

COVER PAGE

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ABSTRACT

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1. Introduction

1.1. Importance of feedback

Customer feedback is an integral part of service quality, and contributes to important metrics such as customer loyalty, value co-creation and profitability (Reichheld, 2003; Berry et.al., 1990; Murray and Howat, 2002). This is because customer feedback allows the business to involve their customers in developing the service into a direction which would most benefit both the customers and the business. It also allows the business to showcase the importance it puts on its customers, increasing customer loyalty towards the business.

Because of the importance of customer feedback, there are countless different strategies and methods to gather, analyse and use feedback (Nasr et al., 2018). Understanding and knowing these strategies and methods allows businesses to better understand their customer and gain valuable knowledge on the state of their business which they might not otherwise notice. In addition, customer feedback is a great way to find new development ideas and customer needs that the customers were previously unaware they had (Narver et al., 2004).

1.2. Research problem

The importance of customer feedback is very apparent in service industries, where serving the customers is the focus of the business. This applies to the recreational industry, which has been growing around the world, especially in America and Europe (IHRSA, 2019). Especially in sport centres customer feedback can provide a critical advantage over the fierce competition due to the large amounts of substitutes available.

Despite this, there exists very little literature on customer feedback gathering practices in Sport centres. This applies both on an international level, as well as in Finland, which is the most physically active country in EU and has one of the fastest growing sport centre customer bases in EU (Eurobarometer, 2018). There is also a lack of literature on the effect of customer feedback on service quality. Customer feedback has been identified as a part of service

quality (Ko and Pastore, 2005), but the specific effects are largely unexplored. This thesis attempts to answer these problems and provide exploratory insight into these topics.

1.3. Research questions and objectives

To guide the research, four research questions were formed. These are:

1. What kind of feedback do sport centres gather?
2. What are the different methods to analyse feedback?
3. How does customer feedback affect service quality?
4. Do Finnish sport centres have similar views on customer feedback as international literature on feedback has?

From these research questions three research objectives were created:

1. To better understand how customer feedback is gathered and applied in Sport centres.
2. To explore customer feedback effects on service quality.
3. To discover the current practices and views of Finnish Sport centre managers regarding feedback.

These objectives were used to determine what literature was read, who was interviewed for the study and what questions were asked.

To address the previously identified gaps in customer feedback literature, this study will review the existing literature on customer feedback and service quality, as well as interview 8 Finnish sport centres and analyse the results to better understand the topic. Then the major findings will be presented and discussed in the conclusion of the study.

2. Literature review

To map out the currently available relevant literature, this literature review will first explore the characteristics of a sport centre in international context. It will explore the existing literature on customer feedback and how it can be applied to sport centres. Then it will explore the service quality perspectives of the customers, and see how that links to improved loyalty, customer retention and perceived value. Then finally, we will be looking at how customer feedback and service quality link together under the setting of a sport centre.

2.1. Sport centres

2.1.1. Definition and Focus

According to Cambridge dictionary, sport centre is a building where different sports can be played. This is an important definition to keep in mind when reading the literature on recreational industry, since although similar; it does differ from fitness centres, sport stadiums and welfare centres. The main difference between these recreational facilities is the customer base. For example, fitness centres like gyms often target a specific customer base, whereas sport centres by their nature require a broader and more generalized customer base. (Eurobarometer, 2018)

Despite the differences, when it comes to customer feedback and service quality, these different recreational facilities are closely enough related, that research on one area can be applied to another with reasonable certainty, as long as the differences are kept in mind.

2.1.2. Characteristics of a sport centres

Sport centres offer customers a place to practice their chosen sport in an environment not otherwise immediately available to the customer as well as an opportunity to host events or competitions inside the facility halls. The most common reasons customers visit a sport centre are to improve their health (54%) and fitness (47%). Other reasons included relaxing (38%

and having fun (30%) (Eurobarometer, 2018). The biggest barrier for customers in Europe is lack of time (Ibid.).

According to the Eurobarometer (2018) report, the customers of a sport centre are most likely to be 15-24-year olds, who are still studying and who visit with some regularity. They also found that men are slightly more likely to visit a sport centre than women are. A study made by Miller, K.H et al. (2008) found that women were only about two-thirds as likely to use the recreation centre compared to men. They also found out that those living closer to the Sport centre were nearly 50% more likely to participate in physical activity. This would indicate, quite reasonably, that location of the sport centre plays a big role in customer retention and that there might be untapped customer base in women.

In addition to the economic benefits that sport centres bring to their owners, they also bring multiple community benefits (Grieve and Sherry 2012). According to Chapin (2002), the noneconomic impacts of sport facilities, more specifically stadiums, are the social/psychic impacts, the community visibility and image impacts, political impacts and developmental impacts. In a later study done to study the non-economic benefits of an Australian sport centre, Grieve and Sherry (2012) identified the community benefits as increased participation and better lifestyle in the community as well as increasing the municipality's image and number of visitors.

Because of this, many sport centres are subsidized, or entirely owned by the municipality they operate in. In fact, if we look at Finnish sport centres, municipalities own approximately 70% of the sports facilities in Finland (www.infofinland.fi). However, in addition to sport centres, this number includes other sport facilities, such as indoor swimming pools, football fields and skating rinks.

Competition in the Sport industry is very fierce. This is because household spending on sport is highly substitutable for other forms of entertainment or physical activity (Coates and Humphries, 2003). This is because the main motivators to visit sport centres, fitness, health and relaxation (Eurobarometer, 2018) are easily substituted by other activities that do not require the customer to go to a sport centre. From this, it can be extrapolated that retaining customers in sport centre industry is difficult in long term, especially as people grow older and their interests change.

To get an upper hand on the competition, sport centres are incentivised to provide services not otherwise readily available to the public, such as indoor rock- climbing and sport fields. One of the unique qualities of northern sport centres is that the need for indoor sport fields is very seasonal. In the winter, when the temperature is cold, many sports such as badminton and football become very difficult to play outside, which increase the demand for sport centres. Similar effect occurs, when sports like hockey and skiing become difficult outside, and increase a demand for indoor environments where these sports can be played.

The downside of this is that building a sport centre requires heavy initial investment and the consequent modifications and efforts to fix problems can be very expensive. This might lead sport centres to be reluctant in committing to any changes. This makes gathering customer feedback extremely important for the industry, since only by gathering reliable data can the sport centre management make accurate decisions on improving and applying changes to the sport centre.

2.2. Customer feedback

Customer feedback is customer communication concerning goods and customer service (Erickson and Eckrich, 2001). The field has been under intense studying for a long period of time, because of how important strategic position it has. Collecting and analysing customer feedback allows organizations to adapt their offerings to customer preferences (Sun and Li, 2011), improve management's decision-making (Wirtz et al., 2010), and generate a competitive advantage for the company (Lusch et al., 2007). Due to all of these benefits, a multitude of research papers have attempted to create sub-divisions for different aspects of customer feedback in order to better analyse and understand it.

2.2.1. Positive and negative customer feedback

The most recent division of customer feedback has been between negative and positive customer feedback. The research into the negative side of customer feedback is much more widely researched area, and has been under examination for over 30 years, whereas the

research into positive customer feedback is still in its genesis, being only discussed within the last few years.

Through a broad literature search, Sampson (1996) identified three major benefits for gathering negative consumer feedback. These were (1) bringing quality problems to management's attention, (2) identifying customers who are likely to defect and (3) learning why customers defect. Because of these benefits, Berry et al. (1990) encourage customer complaining behaviour and advice that companies should make it easy for them to do so. They advise companies to make timely, personal communications with customers a key part of the strategy, stating, "Companies make 2 mistakes, they do not respond fast enough, and respond impersonally".

However, this viewpoint is challenged by Graham (1990), who proposes that encouraging consumer complaining behaviour may promote negative thinking. This is especially true if the companies fail to act on the complaints, whether because lack of resources, management awareness or other preventing factors. The problem is succinctly framed by Murray and Crilley (1999) who state that having a problem in a service is bad for customer loyalty, but not solving the problem, or solving it in a dissatisfying way, is even worse.

Another, more concrete problem of negative consumer behaviour is its negative effect on the front-line employee, undermining their job satisfaction, self-worth, and commitment (Daunt and Harris, 2014). There is also a reported increase in incidents of customer rage, which has serious negative impact to the front-line employees, as well as on the brand and even on the other customers (Patterson et al., 2016). Based on the literature, negative feedback is not a problem to be ignored but encouraging it, especially when companies are unable to satisfyingly solve the problems, can lead to even worse problems.

As a response to the negative customer feedback centric research, Nasr et al. (2018) explores the benefits and implications of positive feedback for both the customer as well as the front-line employee. The authors conclude that positive feedback is most commonly shown as acknowledgement of the good service given by the front-line employee and that this makes the customer feel comfortable and at ease in a service encounter. These positive encounters are also linked to increase both the customers and the front-line employees' well-being, enthusiasm and overall happiness (ibid).

Another research by Bone et al. (2017) found that starting a survey with an open-ended positive solicitation (e.g. by asking what went well) resulted in a 32.88% increase in customer spending relative to a survey with no open-ended positive solicitation. The findings imply that by increasing the positivity of the customer encounter, customers build a stronger relationship with the company, which increases customer retention and spending. However, it is to be noted that these findings have been done using smaller sample sizes, and due to the field being in its infancy, only few studies on the subject exist.

2.2.2. Passive and active feedback

The division of active and passive feedback is made by focusing on the interaction initiator (Sampson, 1996). Passive feedback is given to the company without the company asking for it, either by the consumer contacting the company directly or by leaving a review or other feedback for the company. Wirtz and Tomlin (2000) found that majority of passive feedback, or unsolicited feedback as they call it, is given to the front-line staff. Because of this, they wisely stress the importance of an easy and convenient system to capture this information.

Active feedback gathering on the other hand is initiated by the company, where they ask feedback from their customers through surveys, focus groups, and other feedback gathering methods (Sampson 1996). Sampson also considers the effects of active feedback gathering when asking negative or positive feedback from the customer. He focuses on the negative feedback, discovers that if the company is not able to act on most of the negative feedback it is given, it is better off not asking for negative feedback. For sport centres, this advice would most likely apply, since as previously discussed, any larger changes to sport centres are sometimes difficult or expensive to execute.

2.3. Feedback gathering

2.3.1. Structured and unstructured feedback

Customer feedback methods collect either structured or unstructured feedback (Witell et al., 2011). Structured feedback methods gather quantitative data in the forms of surveys, questionnaire and polls. Unstructured feedback gathers qualitative data through telephone calls, interviews, and online reviews. The strength of structured feedback is that it is easy to analyse and use, but it lacks the flexibility and depth that a unstructured feedback can give. Of course, these two can be combined when gathering feedback, allowing the company to gain the best of both worlds.

2.3.2. Explicit and implicit feedback

A more recent categorizing of feedback based on the feedback method is the division between explicit and implicit feedback (Ordenes et al. 2014). The key difference is whether or not the consumer is aware that feedback is being gathered. Explicit feedback is gathered by traditional means, such as surveys, e-mail and online reviews. In explicit feedback, the customer is aware that what they say might be gathered, analysed and used by the company or a third party. Because of this, it is reasonable to assume that customers will more closely think about what kind of information they are giving away.

Implicit feedback is gathered without the customer necessarily knowing about it. Methods such as eye tracking, time spend on a website or frequency of visits can all be used to gather data on the customer without the customer knowing about it. Because of this, implicit feedback has some unique characteristics that differentiate it from explicit feedback (Hu et al. 2008). Implicit feedback only tells what the consumer considered, bought or consumed. It does not tell what the consumer did not like. This leaves big blind spots in customer analysis, and can even create false positives, since even if a customer buys an item, it does not necessarily mean they ended up liking the item nor that they bought it to themselves.

Explicit feedback indicates what the customer thinks they prefer, but implicit feedback can only estimate the likelihood that certain behaviour reflects the user's actual opinion. The final

unique characteristic of implicit feedback is the need to take into account other variables when calculating error, such as the availability of the item, competition for the item with other items, and repeat feedback (ibid.).

From implicit feedback, there is also an unaddressed question of consent. As a potential breach of personal privacy, companies utilizing implicit feedback need to be careful in order to keep their moral dignity and not to end up in legal trouble.

2.4. Analysing customer feedback

2.4.1. Market orientation

Gathering customer feedback is important, but it is equally important to know how to analyse and use the feedback gathered. One of the methods found in the literature is market orientation, which can be used to better understand what the company is trying to achieve by gathering feedback. Narver et al. (2004) states that there are two kinds of market orientation: the responsive market orientation and the proactive market orientation. The responsive market orientation seeks to discover and fill the customers expressed needs, defined as the needs the customer already knows. This can be achieved by asking the sort of questions that map out the customers currently know desires and needs.

Proactive market orientation attempts to discover and fill the customers latent needs, defined as needs customer is unaware of. These are harder to find but are essential if the company seeks to avoid price competition. Although difficult to discover, sport centres finding and filling these latent needs would gain an important edge over the fierce competition.

2.4.2. Text Mining

A recent problem in customer feedback is the growing amount of data to analyse. Although companies can solve this problem by gathering feedback using quantitative methods, this can result in an incomplete understanding of the customer experience (Macdonald et al. 2011). One solution is automating textual feedback gathering method, or text mining, where textual

information is analysed to discover structure and meaning behind the text and then converted into structured data (Mikroyannidis and Theodoulidis, 2006).

Due to the ability to analyse large amounts of qualitative feedback, text mining has enormous potential in both advising management on potential problems, as well as providing information on the customers expressed and latent needs. For this to be useful however, sport centres need to first develop a system to gather the feedback. The method is also very technologically advanced, requiring a person knowledgeable enough to utilize the method, and this could mean a sizable investment. However, as discussed, the potential payoff is also large, making the proposition to some sport centres favourable.

2.4.3. Customer Feedback Metrics

Another way to deal with analysing customer feedback is to use one of the customer feedback metrics. There are multiple widely adapted customer feedback metrics in service industry, such as Reichheld's (2003) Net Promoter Score (NPS) and Dixon et al. (2010) Customer Effort Score (CES). In addition, average customer satisfaction score, repurchase likelihood and engagement are commonly used customer feedback metrics (Morgan and Rego, 2006). Knowing about different feedback gathering metrics allows sport centre managers to gather feedback more purposefully. It is also important to note that using multiple different feedback metrics is desirable, since using, only one can be risky and lead to inaccurate predictions (Keiningham et al. 2007)

2.4.3.1. Net promoter score

Net Promoter Score (NPS) is measured by asking the customer to rank from 0 to 10 "how likely are they to recommend the product to someone else?" (Reichheld, 2003). The metric is designed to measure customer loyalty, which is defined by consumer's repeat purchases of the certain companies good or service (Hammond et al., 1996). NPS is particularly good at measuring customer loyalty, since it asks the customer to risk their own personal reputation by recommending the product to someone else. It can also have a suggestive effect on the

customer, as the customer is instructed to think of a scenario where they recommend the product to a friend.

The main use suggested by Reichheld is to compare the NPS between company departments and between the company and competitors, in order to find out how they compare to each other and then find out why. In essence, to use NPS to identify practices that increase customer loyalty. Increasing loyalty is especially important to sport centres, since in addition to growing the company and helping the sport centre to retain customers, it also positively influences the customer intention to adhere to exercise (Reichheld, 2003; Lee, 2017).

There is however those who claim that NPS does not measure customer loyalty accurately, as the score gained by the method does not offer any explanation to why the customers gave any given score (Zaki et.al., 2016). The measure is also often taken at the end of the customer journey, which can make it harder to identify potential improvements (ibid.). Keiningham, et al. (2007) also argue, that there is no significant examination done on the NPS and Reichheld's claim of a link between loyalty and firm's revenue growth. The same author tries to replicate Reichheld's work but is unable to replicate Reichheld's results.

In the light of these studies, sport centres should be careful in placing too much weight on the NPS metric. However, it is undeniable that NPS continues to be one of the most frequently used customer feedback metrics and it is still able to measure loyalty within its limits.

2.4.3.2. Customer Effort Score

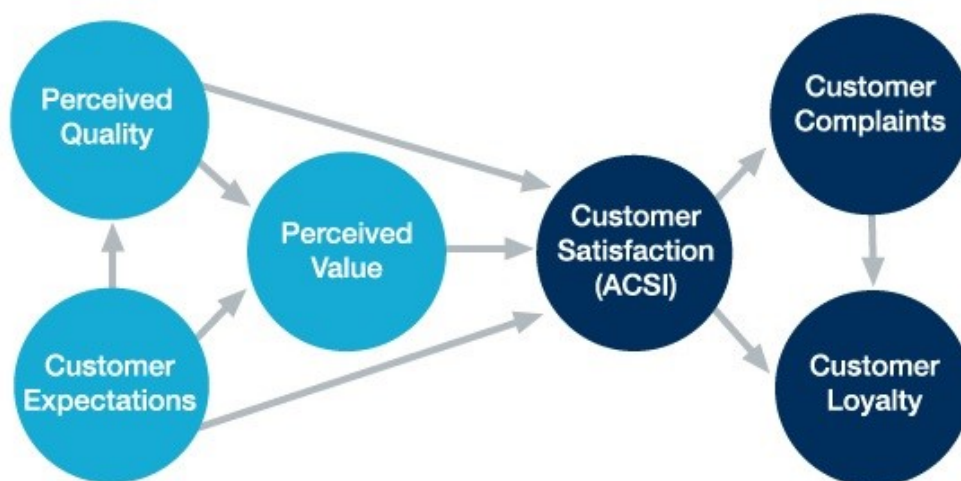
Customer effort score is measured on a 5-point Likert scale by asking: "How much effort did you personally have to put forth to handle your request"? Dixon (2010). This metric also measures customer loyalty but has a different approach. It is based on Dixons research, which has found that reducing the effort customers need to go through to get their problem solved increases their loyalty. He also states as a side benefit that this will improve customer service as well as reduce customer service cost.

However, there is a possibility that the increase in loyalty is in fact only a reduction in loyalty lost due to the problem encountered. Minimizing the effort the customer has to go through would go to great lengths to make sure that least among of good faith is lost, but encountering

a problem still weakens the association between the customer and the organization (Murray and Crilley, 1999). There is also an easily reached limit to which customer effort can be minimized before anything more would be impractical to the company. Still, the attitude of minimizing customer effort where possible is sound.

2.4.3.3. Average Customer Satisfaction Score

Average customer satisfaction score is an average score of consumer responses to questions about customer's overall satisfaction, and performance versus their ideal product or service in the category (Morgan and Rego, 2006). It is meant to be calculated using the American Customer Satisfaction Index developed by the University of Michigan's Ross School of Business. However, as the index is not comparable to sport centres in Finland, the index is not further discussed. On the other hand, the model behind the index gives valuable insights into different customer feedback metrics, and how they influence each other (See Model 1).



As seen from the model, customer satisfaction is a combination of perceived quality, *Model 1: The American Customer Satisfaction Index Model (University of Michigan's Ross School of Business)*

perceived value and customer expectations, and affects both customer loyalty and the amount of complaints. This suggests that by asking how satisfied the customers are, and focusing on improving that metric, a sport centre can decrease the negative consequences of customer complaints, as well as increase customer loyalty.

2.4.3.4. Repurchase likelihood

Morgan and Rego (2006: 429) define repurchase likelihood as “a customer’s stated probability of purchasing from the same product or service provider in the future” This rather simple metric will let companies better predict their future sales but gives next to no information on potential problems the company might have. Sport centres wishing to use this metric can ask a simple question of “how likely are you to revisit this sport centre?”

2.4.3.5. Engagement

In the age of internet and social media influencers, one customer can create 100 purchases with a recommendation online (Haven, 2007). Engagement attempts to measure the amount and reach of the influencers the company has spreading positive word-of-mouth. Morgan and Rego (2006) propose that a question like “With how many people have you discussed [brand or company x]?” could measure consumer engagement. However, since engagement manifests mostly as a passive feedback, since it is the customers who initiate giving feedback, maintaining a view on the company’s social media platforms as well as posts mentioning the company could be a better way of gathering and measuring engagement. By assigning, a customer service worker to keep an eye on passive customer feedback could help sport centres to measure customer views and even lapses or highlights in the sport centres service quality.

2.5. Service quality

Service quality is an important aspect of any service industry. It positively influences customer loyalty (Lee, 2017), which increases customer satisfaction and repurchase intention (Yi and La, 2004). Attempts to measure service quality were first made by Parasuraman et al. (1988), who developed a service quality measurement scale called SERVQUAL. This consists out of five dimensions, these being reliability, assurance, tangibles, empathy and responsiveness. Multiple different researchers have attempted to improve on the model by adding or changing the dimension (e.g. Cronin and Taylor, 1992; McDonald et al. 1995). Most relevantly to this

paper, one modification made by Ko and Pastore (2005) to the SERVQUAL scale was specifically created for recreational sports, the Scale of Service Quality in Recreational Sport (SSQRS).

SSQRS is formed out of four primary dimensions, which each has multiple sub dimensions. The primary divisions are program quality, interaction quality, outcome quality and environment quality (ibid.). These offer insight to what aspects form service quality in sport centres and give a basis on how customer feedback affects service quality.

2.5.1. Program quality

Program quality describes the range of programs available, their operating time and what information is available on them. Sport centres wanting to maximize their customer retention can use programmed activity to incentivise repeated use of their facilities. This will also create social connections among customers, making them feel more like a part of a group. This is another way of increasing both the overall happiness and customer retention. Interestingly, this does not take into account the actual experience of the program, and whether or not it is to the customers liking. That measurement is entirely separated to the interaction quality.

2.5.2. Interaction quality

Interaction quality is at the core of receiving customer feedback and describes the interaction quality between clients and employees as well as interaction quality between clients themselves. The interaction between clients and employees mainly mean the way service is delivered. If the manner and attitude of employees is enthusiastic, happy and helpful, it very likely positively affects the consumer's perception of interaction quality (Czepial, Solomon, & Surprenant, 1985). The interactions between clients also determines consumer's quality perception toward a service, as appropriate behaviour from other consumers can affect the quality perception a consumer has towards the service. This is the most important dimension for feedback, since higher quality of interaction leads to friendlier and closer relationships between customers, which can logically to be deduced to lead to more in-depth and frequent customer feedback, both positive and negative.

2.5.3. Outcome quality

Outcome quality explores what customer gained from the service and whether or not it matched their expectations. Ko and Pastore (2005) identify physical change, sociability and valence as the three key sub dimensions defining outcome quality. Physical change refers to tangible evidence, such as improvement in skill that the service provides. Sociability means the social gratification and social interaction given to the individual when visiting a sport centre. Finally, valence is defined as the final opinion of the customer on whether the service was worth the resources spends.

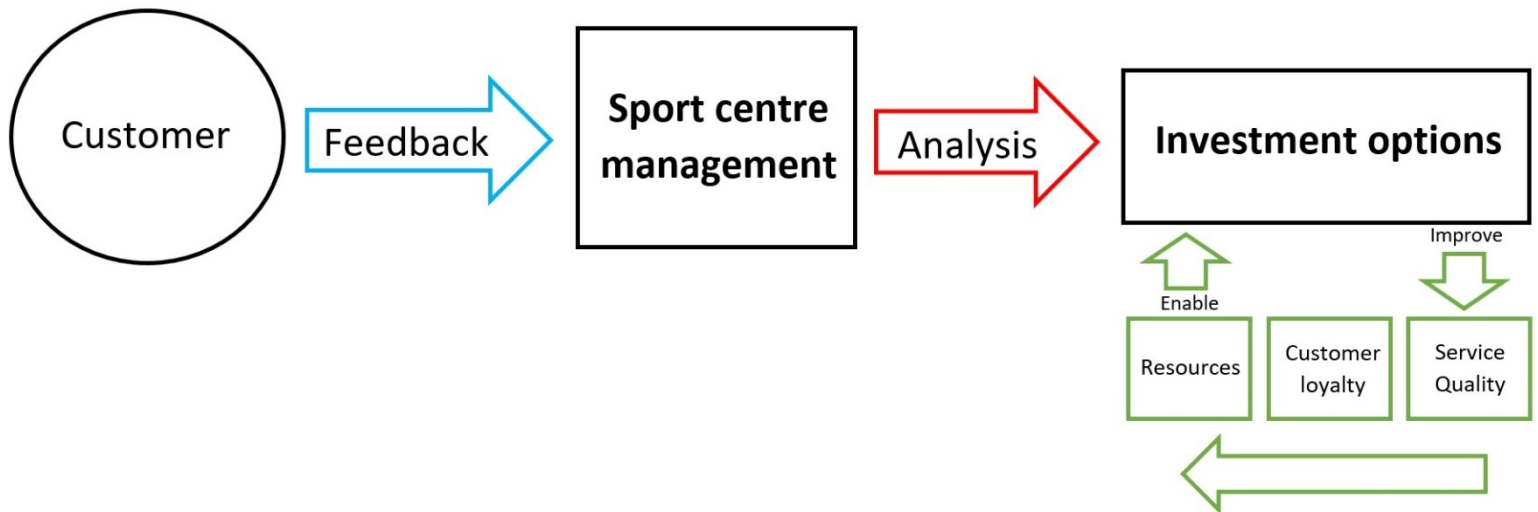
Interestingly, enjoyment and consumer satisfaction are not considered by the scale when evaluating the outcome quality for the consumer. It is possible, that the customer is satisfied with the outcome, but still does not see it as worth investment of their time or other resources. Even in this case, it is arguable that the satisfaction would play a role in the customer's evaluation of the outcome quality.

2.5.4. Physical environment quality

Physical environment quality is determined by the physical aspects of the sport centre. Everything from the design and architecture of the building, to ambient factors such as lighting and smell will affect the customer perceptions of the environment quality. In addition, this includes the equipment used for the sport activities. As stated before, these changes are potentially expensive, but there are also some more subtle changes, such as changing the ambient factors, that can be relatively cheap, and still have an impact on the customer perception of environment quality.

2.6. Conceptual framework

To sum up and visualise the concepts discussed in this literature review, the following conceptual framework is presented (Model 2).



Model 2: Conceptual framework

This simple design presents the core focus of the research, and highlights the three important focus points in blue, red and green. The process of gathering, analysing and using customer feedback starts from the customer, who either implicitly or explicitly provides feedback on their experience of the sport centre. It is the sport centre management's duty to then gather the feedback offered, either actively or passively, in structured or unstructured form.

This information is then processed through various methods and metrics, where the results determine what investment options the management chooses to improve the sport centre. These investments are done in order to improve the service quality of the sport centre, which then improves the customer loyalty and spending, giving the sport centre more resources enabling future investments.

3. Data and Methodology

To explore the largely unknown field of customer feedback in sport centres this study intends to provide valuable original research on the subject. The study focused specifically on how Finnish sport centres view the relationship between customer feedback and service quality, as well as examining the best practices used in the sport centres. This chapter explains the thinking behind the methodology used, how the data was collected and how the data will be analysed.

3.1. Research design

To better understand customer feedback in sport centres there are multiple different ways to start exploring the topic. As the goal is to explore the topic empirically, the first consideration is between the two different empirical research traditions: qualitative and quantitative (Lorraine et al., 2020). As the research questions aim to understand how sport centres in Finland use feedback, both options could yield valid data. In this thesis qualitative method was chosen because the topic is still largely unknown, and the method allows for a deeper exploration of the phenomenon as well as a broader understanding of how customer feedback is applied in Finnish sport centres.

The second important consideration for the research was choosing the target sample. To get the desired data, the two major target segments examined were the customers of the sport centre and the managers and staff of the sport centre. In an ideal world the research would focus on both in order to get a full view of the phenomenon, but due to the time constraints of the work, one had to be chosen. Ultimately, sport centre managers were chosen to be the focus of the research because of the behind the curtain perspective they could provide.

The final consideration for the research was the data gathering method. Semi-structured interviews were chosen to be the research method in order to ask deep probing questions from the sport centre managers and find answers for the research questions presented.

3.2. Sample selection

After identifying the sample focus, multiple Finnish sport centres were contacted from around Finland. The only requirement for selection was that the person had to be a manager of a Finnish sport centre. 8 sport centres responded and agreed to be interviewed. The interviews were conducted from February to March 2020 either in person or through a phone call. The sport centres interviewed were located in southern, western and eastern Finland and they were all near a big city, with the exception of two, which were located in a smaller city. More detailed responder information is given in the table 1: respondents' information.

	Title	Experience in the field	Interview method	Interview length	Interview Language
Respondent 1	CEO	9 years	In-person interview	33 min	Finnish
Respondent 2	Head of operations	40 years	In-person interview	42 min	Finnish
Respondent 3	Vice CEO, head of marketing	10 years	In-person interview	37 min	Finnish
Respondent 4	CEO	10 years	Call interview	17 min	Finnish
Respondent 5	Account manager	2 years	In-person interview	30 min	Finnish
Respondent 6	Vice exercise planner	20 years	Call interview	26 min	Finnish
Respondent 7	CEO	9 years	Call interview	25 min	Finnish
Respondent 8	CEO	26 years	In-person interview	23 min	Finnish
				Total: 3h 53min	

Table 1: respondents' information.

3.3. Interview design

As there were no similar studies conducted on sport centres, the interview questions were designed around the research questions of this paper and did not follow any previously conducted interview. Before each interview the interviewed was informed on the nature of the study, its subject and purpose as well as asked for permission to record the interview. They were provided with the list of interview questions beforehand so that they could prepare their answers. These questions can be found in appendix A. After the interview a follow-up e-mail was sent to the participants thanking them of being a part of the interview and informing them of the study progress.

The interview consisted out of four sections:

1. Confidentiality
2. Administrative questions
3. Definition of service quality
4. Measurement questions

The first three sections, respectively, disclosed all the relevant information to the responder, established who the responder was regarding the interview and defined the term service quality for the benefit of the responder. The largest and most important section of the interview were the measurement questions, which were 20 structured questions divided into four subsections based on what research questions they aimed to answer as well as what topic they were discussing. The final subsection handled all the additional questions that fell outside of the interview question structure. Because of the importance of these subsections, each of them will be shortly introduced here.

3.3.1. Measurement question subsections

The first subsection asked question about service quality and how the sport centres viewed it's importance in the sport centre. This subsection was first in the measurement questions because it set the tone and subject of the interview as well as confirmed some of the basic assumptions the interview made, such as that service quality is something that sport centres focus on.

The second subsection investigated the different ways a Finnish sport centre gathered feedback. There were a total of 11 questions in this subsection which focused on different aspects of gathering customer feedback. This was the largest subsection, as the current practises and methods of sport centres use to gather feedback is one of the key aspects this study intended to find out.

Gathering feedback is an important step also because the quality of information gathered directly relates to how useful it is to the sport centre management, which was the focus of the third subsection. These questions intended to find out what type of methods the sport centres were using to get the most out of the feedback they had gathered.

The final section was designed to catch any additional factors affecting service quality changes aside from feedback as well as to start the unstructured part of the interview, where the topic would be more freely discussed.

3.3.2. Validity of the questions

Since the interview was designed and used for the first time, it is important to address the validity of the questions asked. To make sure that the questions measured accurately the goals set by the study, these questions were analysed and commented on by two professors working with the Aalto University School of Business. In addition, the first manager interviewed gave feedback on the questions and based on that the questions asked were refined. On subsequent interviews small changes in word form and delivery were made to the questions. This process allowed the questions to be as relevant as possible for the research questions they were trying to answer.

3.4. Strengths and weaknesses of the research design

As identified by Lorraine et.al. (2020, p125), one of the key challenges of qualitative research in international business is the fact that the interview is often conducted in multiple different languages. It is difficult to keep the message consistent and functionally equivalent throughout the translation process. Such is the case here as well, as the interviews were conducted in Finnish, which is the mother language of both the interviewed and the interviewee. Although this gives the interviewed the possibility to express themselves in their mother language, it does also mean that the interview must be then translated into English, and some of the nuance might get lost.

The weakness of the chosen research method, qualitative interviews, is that it takes time to conduct them. This paired with the time limitations of the work meant that there was only time to interview a handful of sport centres. In addition, from those sport centres interviewed only one manager was interviewed, making the results less likely to reflect the entire sport centre. This limits the application possibilities of this study both in the country level as well as the individual sport centre level. This method also excluded asking customers their viewpoints on the sport centre, leaving the opinions inevitably skewed. There was also a challenge of reaching the sport centres and finding a suitable time for the interview.

However, the strengths of this method are the in-depth insight gained by a long interview. Also, since most of the interviews were conducted face to face, the amount of trust and social connection allowed for more considerate and open answers. Interviewing the sport centre managers also gave a “behind the curtain” viewpoint on customer feedback in sport centres.

The interviews were conducted in variety of environments. The interview was conducted in as quiet environment as possible, but in some cases this was not possible and thus some of the interviews were in an environment where there was distracting factors, such as co-workers walking by or customers playing tennis next to the interviewing location. This might have affected the interview focus.

3.5. Analysing methods

In order to analyse the collected data, the recording was listened to and a condensed version of each answer was written down on a word file. This recording is in the possession of the author but because of confidentiality reasons it is not given in this thesis. From there the answers were translated and moved to an excel spreadsheet where each column had one question and all the different answers given to the question.

This allowed for easy comparison of the answers and better overall view of the interview. The answers could be easily compared with both the different answers from other sport centres to the same question as well as the answers given to the previous questions. This spreadsheet can be found in the appendix B.

After this each of the measurement questions was coded separately. These codes were created based on what topics the responders mentioned in their answer. This made the interviews easier to digest and to analyse, giving an overall view of what type of answers each question received. The coded interview spreadsheet can be found in appendix C.

The administrative questions section was removed from both spreadsheets due to confidentiality reasons.

4. Analysis and findings

After collecting and formatting the data into digestible information, the data was analysed in two parts. First, the data was analysed question by question basis, where the implications of the answers were considered. Then the data was looked at from a wider point of view and seen how it compares to other questions in the category as well as to other sections in the interview.

With the exception of demographics, each section has a condensed version of the appropriate part of the code book, which lists the topic mentioned as well as in parenthesis how many sport centres mentioned the topic. This is done so that it is easier for the reader to keep in mind what were the questions and what type of answers were given, and in what amount, to the question at hand. The full code book as well as the condensed version of the interview can be found in the appendices.

4.1. Demographics

All of the responders are or have been in a managerial position in a sport centre and thus have authority and credibility to answer the questions posed to them. However, there was significant amount of difference between the experiences of the responders, ranging from 2 years to 40 years. The full details of the relevant respondents' information can be found in the table 1: respondents' information. One of the biggest differences that experience seemed to make when it comes to feedback was that the more experienced sport centre managers had developed a sense for the business and did not have to rely on feedback as heavily.

Responder #8 said regarding customer feedback gathering that:

"it is important, but after working 26 years, I can sense where we are going. So maybe if one had less experience, they would have to think harder are they going to the right direction and doing the right things, but for me, I know pretty well what the customers want" (own translation).

Education is another factor that might affect how sport centre views customer feedback. Six of the eight sport centre managers had a business school background, although of various levels from vocational school to master's degree in economics. This is important to keep in

mind when reviewing the answers, since education informs on the type of mind-sets and tools the individual has been provided and reflects on their attitude towards feedback.

4.2. Service quality

1: How much does the sport centre focus on increasing service quality, compared to, for example, growing the customer base?	Service quality is the main focus (6). Environment quality (4). Interaction quality (1). Competition (1). Program quality (1). No quality measurement (1).
2: What is, in your opinion, the most important factor in service quality?	Interaction quality (5). Environment quality (3). Outcome quality (1).
3: How does the feedback given to the sport centre affect service quality in the sport centre?	Fixes to problems (8). Improvements to service quality (5).
4: How much feedback does the sport centre gather before making changes in the sport centre?	Feedback brings issue into consideration (8).

Table 2: Service quality codes.

As can be seen from the table 2, most of the responders agreed that service quality is very important to a sport centre and it should be the focus of the operations. In fact, many sport centre managers told that they use little to no marketing to attract customers. Instead, they said that the happy customers bring more customers and that having good service naturally keeps and attracts more customers. Interestingly, this is very similar to a new digital marketing trend called inbound marketing. The core of inbound marketing is to attract customers in an organic and non-disruptive way (Opreana and Vinerea, 2015). Although

Sport centres do not use digital means to attract customers, although they certainly could, the core philosophy remains the same: treat your customer well and provide them value and they will return with even more customers. This is important because it gives us a glimpse of the primary goals of the sport centre, which in turn will affect how they will gather feedback and how they hope to use it.

Responder #2 said about customers that:

“It is most important that when they leave, they are satisfied. A satisfied customer always brings new customers and even one dissatisfied customer takes them away” (own translation).

This is reinforced by the fact that half of the respondents specified physical environment quality as the sport centres focus. From this we can deduce that from the perspective of sport centres one of the biggest factors in whether or not customer leaves the sport centre happy depends on the condition of the facility and equipment. This makes perfect sense for a sport centre, where the main function of the service is that the customers get to play their chosen favourite sport. If the physical environment isn't functional how can the customers gain any value from the service?

Luckily for the customers, most sport centres have their physical environment up to the expected quality standards. This however makes it more difficult to differentiate between sport centres. The solution to this problem seems to lie in interaction quality. Many of the interviewed sport centres stated that they know their customers well and have developed a social connection to them. When asked about the most important aspects of service quality, the sport centres mentioned aspects like human contact, friendliness and taking customers into account. Responder #6 even said that they always have at least one person at the reception to differentiate from the often-empty municipality ran facilities.

It seemed like program quality and outcome quality were not a major focus in most of the sport centres interviewed. This could be due to the fact that these two aspects of service quality are not as easily changed, and they are something that can only be changed in long term. Program quality for example requires often major equipment acquisitions as well as expansion or rearrangement of the facility space. According to Responder #4 bigger ranges in available programs doesn't necessarily mean an improvement in service quality. However, it

is to be noted that a larger range of programs does bring wider options to the sport centre and can even help to combat the seasonal nature of sport centres, which is discussed more later on.

When it comes to the actual effects of customer feedback on sport centres, it seems that it is primarily used to fix problems and to improve service quality. The examples given were mostly targeted towards physical environmental quality problems, such as leaks, lighting or trash on the fields. Other examples included opening times, cafeteria catering options and equipment acquisitions.

When the feedback would concern a larger part of the sport centre operation, the managers stated that the feedback would always bring the issue into consideration and if the feedback was sensible, it would most likely be implemented. In many cases the final deciding factor would be the financials. The change suggested by the customer feedback would likely be made if it was calculated to be financially beneficial to the sport centre. Overall, the sport centre managers seemed to be interested in acting on feedback if possible.

Responder #6 commented on sport centre service quality by asking “why wouldn’t we improve it according to customer wishes?” (Own translation).

4.3. Gathering customer feedback

After finding out why the sport centres gather feedback, the next set of questions explored what the current best practices of gathering customer feedback are. As this was the largest subsection in the interview with 11 questions in total, the analysis is split up for better reader experience.

1: What is the sport centre’s view on gathering feedback?	Gathering feedback is necessary (6). Feedback is gathered too little (2). Most problems can be seen without feedback (2). Customers responsible for giving feedback (1)
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2: What type of feedback are you currently getting?	Positive feedback is more common (5). Feedback is a mix of positive and negative (3). Improvement suggestions (3). Cleanliness (2). Wish to have more negative feedback (2). Not all feedback is relevant (1). Negative feedback is more common (1). Misunderstandings (1). Price inquiries (1).
3: What methods are you currently using to gather feedback?	Survey (5). Reservation system (3). E-mail (3). Receptionist (2). Website (2). Employees (2). Social media (2). Feedback box (1). Feedback erasable flat board (1). Google review (1). Designated gatherer (1).

Table 3: Gathering customer feedback codes A.

Most of the sport centre managers agreed that gathering feedback is important for sport centres in general and two reflected that they do not gather it as much as they should. As responder #1 noted, the worst situation is that something is wrong, but no one says anything about it and customers just leave. However, there were also sport centres that saw that most of the things found through feedback could be found without it as well.

Responder #2 saw feedback as entirely customer initiated. If there were problems, customers would talk to the sport centre about it and as such there were no need for any active methods for customer feedback gathering. Although it is to be noted that responder #2 has

accumulated 40 years of experience and as such has most likely the deepest level of customer trust and widest customer relationship network out of any of the sport centres interviewed. It is also reasonable to assume that responder #2 has the innate sense of how sport centres are operated mentioned in the demographics. The key thing to learn from responder #2's answer is that trust and connections can, at least to some degree, substitute the more traditional feedback gathering methods.

One surprising discovery on the customer information was that a majority of the sport centres reported that they received mostly positive feedback. So much so, that two of the sport centre managers expressed a wish for more negative feedback, in order to better find the faults of the sport centre. Responder #8 speculated that the reasoning behind this was the Finnish culture and that the customers were afraid to give negative feedback.

When the feedback does come in, it is mostly explicit, meaning that the customer is aware that they are giving feedback. In fact, none of the sport centres mentioned implicit feedback before it was directly asked from them in the customer feedback measuring subsection. This implies that implicit customer feedback is not as well explored and utilised as it possibly could be. This was also reflected in the demographics section, where the sport centres were asked to estimate their monthly number of customers. Many of the sport centres were unable to give any accurate numbers. This could be due to the difficulty of gathering implicit feedback as well as the perceived low value the information gives to sport centres.

Explicit and passive feedbacks are the dominant forms of feedback gathered by the interviewed sport centres. Majority of these sport centres do use active feedback in a form of a yearly survey to the customers but the day to day feedback is gathered through passive and often unstructured means. The methods mentioned were gathering feedback through the reservation system, E-mail, Receptionist, Website, Employees, Social media and a feedback box.

There were also two more innovative methods of gathering feedback. The first was an erasable flat board in the lobby of the sport centre, where the customer wrote down their immediate experiences and thoughts. This was erased frequently to give more space to new answers and has become a popular way of getting the acute feedback after the service encounter. The second method was to have an employee entirely dedicated to handling

customer relations and asking questions from the customers. This added a human touch to the feedback gathering process and allowed for more interactive customer feedback gathering experience.

4: How often do you ask customers for feedback?	Yearly (4). Not at all (3). Rarely (1)
5: What is your estimate of the response rate?	35%. 25% (2). 20%. 10%.
6: How do you think your customers react to the request to provide feedback?	Customer indifference (2). No negative response (1). Active customers give more feedback (1). Small number of customers see feedback as important (1).

Table 4: Gathering customer feedback codes B.

As mentioned before, one of the more common active feedback gathering methods mentioned was the yearly surveys, or as was the case in one sport centre, once every couple of years survey. These surveys were formed out of a mix of structured and unstructured questions that measured customer satisfaction as well as other more specific areas of interest depending on the sport centre.

The response rate of these surveys ranged from 35% to 10%. When asked to estimate how customers react to the request to provide feedback, a few pointed out the very logical connection between customer engagement with the sport centre and the amount of feedback given. Another connection could be suggested by comparing the age of the sport centres and the response rate. The newest sport centre interviewed had the highest estimated response rate of 30% to 40% whereas the sport centre with lowest response rate, 10%, was the oldest among those who conducted interviews.

Although no definitive conclusions can be drawn from this, it is logical that customers would see new sport centres as more likely to hear and implement the changes asked by the customer, and thus get more responses. Another explanation could be that the new sport

centres still have a lot to improve on and because of that it is easier for the customer to find things to give feedback on.

The most likely option is that it is a mix of both. Because of this the sport centres are trying to communicate the value of feedback both to the customer and to the sport centre. The next set of questions was aimed to find out how the sport centres were trying to maximize the amount of passive feedback the customers provided them.

7: How often do you receive feedback from customers that you didn't ask for?	All the feedback comes from customers (4). Couple per week (2). Many per week (2).
8: Do you encourage customers to give feedback? How?	Verbal encouragement (4). Atmosphere (1). Friendliness (1). Providing feedback channels (1). Public summary of the feedback (1). Responding to feedback (1). No methods (1).

Table 5: Gathering customer feedback codes C.

Since most of the feedback in the sport centres is passive, meaning customer initiated, it makes sense that the majority of the interviewed Sport centres had methods to encourage the customers to give feedback. The simplest method of encouraging customers to give feedback was by simply providing the customers convenient channels through which they could give feedback. Although deceptively simple, it makes sense that the more convenient and low effort the way of giving feedback is to the customer, the more likely they are to give it.

Customers were also encouraged to give feedback through verbal encouragement, either directly to the customers when they visited the sport centre or through social media channels. The sport centres also wanted to provide an environment where the customer would feel comfortable in giving the feedback. There was an emphasis on the relationship between the customers and the staff. This would allow customers to see the staff as more empathetic and easily approachable, which in turn made giving feedback easier. And as a cherry on top,

some sport centres offered rewards and a possibility to win product prices as a carrot for the customers to further add value to the customer side of giving feedback.

When talking about customers, Responder #8 said that” it is important that they know that their voice is heard, and in a way, we do this work for them” (own translation).

9: How frequently do you receive feedback face to face compared to online? Which is the most important in terms of usefulness?	Most frequent: Face to face (3). Online (3). Both (1). Most important: Face to face (1) Online (1) Both (3)
10: How do you communicate to the customer that you hear their feedback?	Responding to feedback (8). Informing the customer about the effect (3). Public summary of the feedback (1).
11: How do you react to feedback that is impossible to implement? How often do you get this type of feedback?	Honest communication (8).

Table 6: Gathering customer feedback codes D.

In this final set of questions for this subsection, the sport centre managers gave their estimate on which gathering methods were more frequent and which ones were seen as most useful in giving the sport centre valuable information. Surprisingly, the answers were very evenly split between the options.

Both face to face feedback and online feedback were seen as the more important option, and both for very valid reasons. Face to face feedback was seen to give more personal and in-depth feedback as well as having the benefit of immediate response and interaction. Customer could see that the message was delivered and could be satisfied that things were done to address the issue.

Online feedback on the other hand is able to reach a lot wider amount of people and get a more representative view of the customer base. It is also more convenient to the customer, as they can give feedback whenever they feel like it, and they do not have to go through social interaction to get their point across.

Some interesting remarks about the differences between gathering methods also were the solidity of the message. Face to face feedback could be altered on each telling and had the potential problem of being less accurate, whereas in written form the manager could be certain that the feedback they were reading was exactly what the customer had written down. Written feedback had also the benefit of being more thoughtful, as the customers had time to think about their wording and delivery.

Respondent #1 commented on an interesting phenomenon he had noticed, where the feedback given to him personally felt more immediate than feedback given to him through other people. Responder #1 also remarked that the way the customer delivered the feedback affected how important and time sensitive the feedback sounded like, although in reality the two weren't always connected.

To show that the sport centres had received the feedback from their customers the most common method was to simply answer to each feedback that was given to them. Some of the sport centres followed up and informed the customers if something was changed whereas others relied upon the fact that upon the next visit from the customer, the customer would see if anything had changed. The most innovative way of showing that the sport centre has received the feedback was done by the respondent #8 who made a summary of all the feedback given to the sport centre in their yearly survey and posted that on their main information board.

When the sport centres couldn't make the requested improvement in feedback they would in most cases tell the customer that the change is not possible and give reasoning for their decision. Sometimes the request is passed with a thank you and sometimes, if the sport centre is trying to head to that direction in the future, that is said.

4.4 Measuring customer feedback

This section focused on the step of using feedback to determine what investment options the sport centre decides to take. These four questions aimed to find out how the gathered feedback is processed in order to reach the goals given in the service quality subsection.

These goals were to improve physical environment quality, interaction quality and to fix various problems in the sport centre.

1: What kinds of things are you hoping to find out with customer feedback?	Improvement ideas (5). Positive feedback (4). Problems (3).
2: Do you have a system or a method for interpreting and logging the feedback you get?	Survey is analysed (5). Time comparison (3). Instinctive time comparison (1). Feedback is delivered to the right people (1). Too much systematic feedback can be a problem (1).
3: Do you make changes based on observational feedback?	Usage determines if something is done (5).
4: How is the feedback reported to the head of the company?	Feedback is discussed at the head of the company (5) Processed report on feedback (2). No reporting done in the board (2). The board follows the numbers (1). Feedback discussed once in a month (1). Big suggestions are discussed (1).

Table 7: Measuring customer feedback codes.

To reach these goals it was not surprising that many of the sport centres wished to find improvement ideas as well as possible problems from the feedback. In addition, the answers to this first question explain, at least to some extent, the previously discovered fact, that majority of the sport centres receive more positive feedback. This could be simply due to the fact that as the sport centres wish to gain positive feedback, they are more likely to get it. This makes sense, since as identified by Bone et al. (2017), simply by asking for positive feedback

the sport centre can increase the positivity of the encounter and have concrete benefits like increase in customer spending.

Responder #5 seemed to be especially aware of the benefits of positive feedback as well as the potential danger of negative feedback. Responder #5 stated that the sport centre happily spreads positive feedback to every employee but tries to keep negative feedback in as little group as possible.

As discussed in the feedback gathering section, most of the feedback methods gave simple and easily understandable feedback and as such did not need any complicated analysing methods. One sport centre even stated that too much systematic feedback analysing can be a problem draining the sport centres resources without adding enough value.

An exception to this was of course the surveys that provided hundreds of responses to the sport centres and as such required a more systematic approach. Most of the sport centres seemed to use a survey gathering program to condense and format the replies. All of the sport centres seemed to have designed their own metrics that they used in the survey and did not use more internationally known metrics such as the net promoter score.

Half of the sport centres also reported that they did time comparison with the results of their surveys, either with the help of actual numbers or as was in one case, through having a general idea how much feedback was given each year. Some sport centres also used the survey programs to compile either a visual or numerical report which they presented to the company board. Unsurprisingly, none of the sport centres reported that they used more advanced analysing methods such as text mining. Although these methods might be useful, it seems that the amount of feedback currently gathered by the sport centres do not warrant any more resources spend for using these more complex methods.

This study suspected that the sport centre managers would use their personal observations to complement the conclusions given to them by their system of analysing feedback, and because of this it was important to find out how do these personal observations affect the decisions made from feedback. Surprisingly, very similar answers were given to this question by all the sport centres that this question was asked from. They all stated that the usage of a service was the deciding factor whether it was done or not. Responder #4 Aptly stated that

even if the customers said that they would want a certain service, if very few people used it, it would not be done.

This and all the other gathered feedback would then be discussed in the lead of most of the sport centres. This supports the previous finding that the sport centres consider customer feedback to be in the core of running a sport centre. Many of the sport centre managers and CEOs also stated that the feedback comes often straight to them. This is most likely very usual in Finnish sport centres considering the low power distance in Finland as well as the fact that in the sport centres the more active customers often know the persons in charge. There is a danger though that many of the new customers and those who might be averse to seeking social connections with the staff might get ignored.

4.4. Additional questions

As a final question it was important to ask about additional information that might affect the research but falls outside of the questions presented during the interview. In this section there was only one structured question which was asked from everyone. When asked if the manager had anything to add, seasonality was brought up by 4 sport centres. Other topics were only mentioned by one sport centre and as such they were not coded, and instead a condensed answer is presented in the table.

1: What other reasons outside of feedback affect your decision whether to make an investment to service quality or not?	Advice from other Sport centres (4). Financials (3). Personnel observations (2). Competition (2). Legal changes (2). Changes in the surrounding area (1). Environmental consciousness (1).
Seasonality	Business is seasonal (4). Weather has an effect (3). Summer competitions (2). Marketing is seasonal (1).

	<p>July for maintenance and holidays (1).</p> <p>Summer Training camps (1).</p>
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Table 8: Additional questions codes A.

One of the most frequently mentioned factors that affect the decision to make changes in sport centres was advice given by the other sport centres. Unexpectedly, many of the sport centres saw other sport centres as a resource and strength rather than a competitor. Responder #1 described the situation when the sport centre was established for the first time and there was another older hall reasonably near, very few customers converted from the old hall to the new hall. To Responder #1 it seemed, that those who already visited the old hall were accustomed to it, and so they were not really competing as the same service. And especially sport centres that were in other cities were not a threat, since the sport centres mostly served their local customers.

Because of these factors, it makes sense that the sport centres would be happy to help each other to improve as that would only make them better able to serve their customers and did not have to worry about the other becoming better than they were. However, that did not mean that there was no competition. On the contrary, as discovered in the Literature review, competition in the sport centre industry is very fierce due to the substitutable nature of the service. Two of the sport centres directly mentioned competition in as a major factor outside of feedback that affected the sport centre. This was echoed indirectly by other sport centres in the seasonality of the business, when the service becomes more substitutable during summers.

As said by Responder #5:

“One fact that most likely applies to every sport centre is seasonality, that fall, winter, early spring is the busiest and there is a question of how to get summer to be profitable. Maybe that is something where customer feedback can help to find what the customers would like to do in a sport centre during summer.” (Own translation).

As can be seen, this is the issue many sport centres struggle with. Some solutions made by the interviewed sport centres were to make marketing reflect the season, hosted sport

competitions and training camps in the summer or just dedicated July for maintenance and holidays. All of these changes were made for the financial reasons and as such it was not surprising to have financials to be one of the often-mentioned subjects from the sport centres. Subjects such as employee wages, opening times and environmental issues requiring a reaction were mentioned, which led a few sport centres to recognize that changes in legal environment also affected the sport centre.

Before moving on to the final conclusion, here are some of the additional observations made by the sport centre managers.

Way of thinking	The way of thinking of customer feedback has evolved over the time from operation focused to customer focused.
Ownership	In the sport centre, continuous surveillance of quality has not been important, the municipality owns a big part of the sport centre.
Mere measurement plus	Other customers, even those that do not answer to the feedback survey are affected by the act of asking feedback.
Involving customers.	We assembled a group of 20 persons who imagined the perfect sport centre, which was used as a goal for the sport centre. The idea is to get closer to the ideal.

Table 9: Additional questions B.

One of the first things mentioned was the change in attitudes towards customer feedback, noticed by respondent #2 in their 40 years of working in the sport centre. At the beginning everyone was happy that there even was such a service and so no one gave any feedback on how things were going. Later on, some people started to make suggestions and give critique to the sport centre, but it was largely ignored as the managers already had a direction in mind. Then things once again changed and now customers are seen as the most important aspect of the service.

This is very important point to keep in mind, not only because it allows for better understanding of the feedback in the past, but it also serves as a reminder that nothing stays

the same. Although currently daily feedback is seen as something that is mostly gathered through passive means, expecting the customer to initiate the conversation, this might change in the future.

One possibility is that in the future active feedback gathering methods will become the norm. Perhaps there could be a chat bot asking customers through social media about their experience after each time they visit the sport centre. Or perhaps passive feedback will be streamlined and developed into new and unforeseen directions in the future.

The ownership of the sport centre was speculated to have an impact on why there was no quality surveillance done in the sport centre. The reasoning was that as the municipality ran the sport centre with minimum cost to the customer, it did not have the resources to invest into collecting and analysing customer feedback. As many of the sport centres in Finland are municipality owned, this might be a larger issue.

It was also mentioned that merely measuring the feedback influenced the customers as it showed that customer feedback was important by the sport centre. This is an interesting observation that could benefit from more research but suggests that if the sport centre seems to be open to feedback, customers will see it in a more favourable light.

Lastly, one sport centre had experimented with an innovative way of gathering customer feedback. They found 20 customers willing to give some of their time and asked them to imagine what a perfect sport centre would look like. This group gathered together multiple times and discussed the issue, and the sport centre wrote down all of the group's development ideas. Then they set that as their goal for the future.

This idea combined both marketing and feedback gathering and allowed the sport centre to find the customer's perspective of a perfect sport centre. By including a larger number of customers into partaking in the sport centres future the sport centre managed to build customer loyalty as well as get a clearer view of the future. This type of in-depth customer feedback gathering takes effort but can result in ideas not found by any other means.

5. Conclusion and discussion

The aim of the study was to find out how customer feedback is gathered and applied in sport centres internationally by reviewing literature on the subject and then comparing that to the practises of Finnish sport centres. In the following sections the main findings of the study are explained and the differences between Finnish and foreign sport centres are discussed. Then the implications for international business are explored and suggestions for further research given.

5.1. Main findings

In the research, the motivations for sport centres to gather feedback were discussed as well as how feedback affected the sport centre, especially focusing on service quality improvement. Most of the sport centres relied on inbound marketing and customer word of mouth to gain more customers and as such considered service quality as an integral part of sport centre operations. The research found that customer feedback provided the sport centre improvement ideas as well as warned them of potential problems that could bring the service quality down.

Majority of the daily feedback gathering in sport centres was done through passive methods, relying on the customer to bring feedback to sport centres. To encourage this behaviour sport centres provided customers convenient channels to give feedback, encouraged customers verbally to give feedback and showed that the customer feedback mattered by responding to the feedback. The feedback gathered was mostly explicit and unstructured positive feedback although a mix of positive and negative feedback was also common.

Half of the interviewed sport centres used yearly surveys to actively gather customer feedback. The surveys asked customer satisfaction, problems and improvement ideas. This data was used to make reports and summaries to the sport centre leadership board as well as in once case to the customers themselves. The information gained from both the surveys and passive feedback was used as one of the factors deciding the development of the sport centre. Other factors included the advice from other sport centres, financial and legal

considerations and the competition from the various other services that can substitute the offerings of a sport centre.

5.2. Discussion

When comparing the international practises discovered by the literature search to the practices found in the research, it is clear that both use very similar methods when gathering feedback. In fact, there were some innovative approaches to gathering feedback done in Finnish sport centres that were not discussed in the literature. The idea of having a flat board where the customers could give feedback immediately after their experience and the experiment of involving the customers to imagine their ideal sport centre were both examples of this.

On the other hand, international methods of analysing customer feedback are a lot better defined than the Finnish methods given by the interviewed sport centres. Customer feedback metrics, market orientation and text mining were mostly unfamiliar to the Finnish sport centres which operated through simpler methods of analysing customer feedback. In Finnish sport centres passive feedback was reacted to, but there was no further method of cataloguing it and measuring it. Those sport centres that used surveys to actively gather feedback did seem to use customer feedback metrics, although they were unable to specify what they were measuring outside of customer satisfaction.

In the light of these facts, it is important to consider which method might yield better results. But before that it is important to acknowledge the limitations of this study. The sample size of the study is far from ideal and the interviews only take into account one manager per sport centre. To get a more holistic view of the perspectives of the managers it would be preferable to interview multiple managers and employees from the same sport centre. The study also does not include the viewpoint of the customer and does not quantitatively back up any of the discoveries made in the research. The results can be only seen as indicative of a possible trend and no generalisations can be made from the research. As a final note, the interviews were conducted in Finnish and translated into English. It is possible that some meaning could have been lost in the translation process.

Both in gathering feedback and analysing feedback there seem to be things that Finnish sport centres could learn from international methods and there are things that international sport centres could learn from the Finnish ways. Finnish sport centre methods are very practical, focusing on what can be done immediately based on the feedback given. By gathering daily feedback passively, Finnish sport centres minimise the resources used to gather feedback while still getting some of the benefits of feedback. However, they miss the potential breakthroughs or course corrections a more rigorous and active feedback gathering could provide.

5.3. Recommendations for sport centre managers

The first recommendation for sport centre managers is to consider their passive feedback gathering methods. The value proposition for the customer to give feedback seemed to be one of the most important factors in passive feedback. This can be broken to two parts, giving the customer an incentive to give feedback and having a convenient way of collecting the feedback.

As it is the case for any customer, the customers of sport centres need to be shown that they have something to gain by giving feedback. The most often mentioned methods to achieve this were to establish a friendly connection with the customer. This is essential to sport centres and should be the key focus of the operations. This gives the customers a social incentive to give feedback, which based on the interviews, works better than a physical or monetary benefit.

The other side of the equation is the amount of effort the customer needs to go through in order to give feedback. This includes questions like: How many options do customers have to give feedback and how easy it is for the customers to use them? It seems logical, that the customer would be the most willing to give feedback right after the service experience. However, depending on their personality, they would prefer different options to give the feedback. The more open personalities would give feedback straight to the sport centre staff, but others might prefer an anonymous feedback form. Making sure that both of these are available and easily done would increase the feedback gained.

To gather this feedback, the most brilliant idea I heard during the interviews was to have an erasable whiteboard, where the customers could write their immediate feedback on the experience they had. This could be placed in the lobby of the sport centre or in the locker rooms, where the customers could give the feedback more anonymously. Another idea for a more convenient way of giving feedback would be to develop an application for the sport centre, through which the customer could reserve fields, as well as be prompted to rate and give feedback on their experience.

The second recommendation is to consider more active feedback gathering. If the staff would regularly ask the customer about how their service went, it would not only give the customer an opportunity to provide feedback but also show that the sport centre cares about their customers. Even a simple “how did your games go?” would be enough accomplish this effect. Another possibility would be to utilize social media more. This could be done in form of polls, questions and activities. By being active in social media the sport centre can better interact with their customers and be more available to listen to the customer opinions.

A final thing to consider is how the feedback is used to improve the sport centre. It seemed that the feedback was mostly used to investigate the past to measure the sport centre performance. However, feedback could also be used to evaluate future decisions before making them. For example, the sport centre could present a multiple-choice question to its customers on different features it is considering and see which one do the customers like the most.

5.4. Implications for international business

Fitness and especially sport centres are internationally growing markets as people become more aware of their health and as advances in technology allow for greater amount of free time to be invested into self-development. The discoveries and methods in this study can provide valuable insight into how sport centres operate and how they view customer feedback. As information becomes more widely available, sport centres from around the world should look for new methods to improve their services.

Feedback gathering in general is arguably very important part of service industries, and as such this research can benefit other service providers outside of recreational industry. A more in depth understanding of feedback in different environments is a key to creating successful service facilities, both in Finland and internationally.

5.5. Suggestions for further research

5.5.1. More in depth research on the subject

Even at the beginning of the research there were multitude of options for potential research and only one could be chosen. However, the remaining options were still valid and provided interesting ways to move the research on this topic forward. Because of this a few of these are presented here as suggestions for further research.

One of the first focuses of further research are the choices not chosen in the research methodology section as well as filling up the limitations of this study. As this research focused on the managerial side of sport centres, it would be interesting to study the customer perspective on feedback and see how they saw changes were made in sport centres. As this study only explored the topic through qualitative means, a quantitative study could provide more valid evidence for the things discovered in this research. In addition, studies with larger sample sizes could patch up the short coming of this study.

Studies could also be done on the fitness centres, which currently gather a lot more feedback than sport centres do, due to their nature of requiring the customer to commit more heavily to the usage. Fitness centres also do a better job at gathering information from their customers and as such investigating their practices and views of feedback could help further understand the topic both in fitness centres and as it applies to other service industries.

Another possible avenue for further research is to look at the municipality owned sport centres. As this phenomenon is especially common in Finland, it could provide a better understanding on how these sport centres work. This information could then be compared to privately owned sport centres and see under which conditions should the municipality own

and run the sport centre. It would be also interesting to find out how much do these sport centres seek to improve by gathering feedback or by other methods and see if that method is sustainable or not.

5.5.2. Improvements to the interview questions

After interviewing the eight sport centres and analysing the responses, it was inevitable that some of the questions could have been asked better or that some aspects could have been further investigated. One of the first notable things was that the general questions about sport centre feedback should have been asked after the more specified questions, since the sport centre managers were eager to tell about their own methods, they often were unable to give their general and broader opinions first.

One of the questions that could have also revealed more on the topic was to ask how the sport centres communicate about their possibilities to give feedback. It is possible, that although the sport centres do have feedback gathering methods, the customers might not be aware of them. Another connected question could also have been: “Do you have ways to make giving customer feedback easier to the customer”. This could have given insight into how customer effort might affect giving feedback.

One of the questions that could have been asked in a better way was the question regarding implicit feedback in sport centres could have also been formatted better, in a way that it would prompt the sport centre manager to think about implicit feedback gathering happening in the sport centre, but would not point them towards any specific direction. Another would be the question about the frequency of gathering feedback, which in this study only asked about the active feedback gathering, could have been focused to the passive feedback gathering as well. Although it is possible, that the daily amount of passive feedback isn't as carefully measured and the amount would fluctuate greatly depending on occasion.

In conclusion, there are still many things that are unknown when it comes to customer feedback, but this study has shed the first rays of light on the issue and hopefully more research will address this problem in the future.

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Appendices

Appendix A: Interview questions in English

1. Confidentiality

- Full confidentiality and anonymity in the interview and the right of the interviewed to look at the parts of the thesis in which they participate in before publication.
- Agreement to be recorded.

2. Administrative questions

- Role in the sport centre.
- Education
- The amount experience working in a sport centre industry.
- Number of persons working for customer service
- Size of customer base

3. Definition

- Service quality is defined as combination of everything related to service experience of the customer. It includes the quality and amount of programs sport centre has, the quality of customer interaction, the outcome quality that the customer gained by using the service as well as overall physical environment quality, such as the building and the equipment.

4. Measurement questions

I. Service quality (RQ2)

1. Defined as such, how much does the sport centre focus on increasing service quality, compared to, for example, growing the customer base?
2. What is, in your opinion, the most important factor in service quality?
3. How does the feedback given to the sport centre affect the decision of where to invest in order to increase service quality?
4. How much does the sport centre gather feedback before making changes in the sport centre?

II. Gathering customer feedback in a Finnish sport centre (RQ1, RQ3)

1. What is the sport centre's view on gathering feedback?
2. What type of feedback are you currently getting?
3. What methods are you currently using to gather feedback?
4. How often do you ask customers for feedback?
5. What is your estimate of the response rate?
6. How do you think your customers react to the request to provide feedback?
7. How often do you receive feedback from customers that you didn't ask for?
8. Do you encourage customers to give feedback? How?
9. 9: How frequently do you receive feedback face to face compared to online?
Which is the most important in terms of usefulness?
10. How do you communicate to the customer that you hear their feedback?
11. How do you react to feedback that is impossible to implement? How often do you get this type of feedback?

III. Measuring customer feedback in a Finnish sport centre (RQ1, RQ3)

1. What kinds of things are you hoping to find out with customer feedback?
2. Do you have a system or a method for interpreting and logging the feedback you get?
3. Do you make changes based on observational feedback?
4. How is the feedback reported to the head of the company?

IV. Questions specific to the sport centre & additional questions that came up during the interview

1. What other reasons outside of feedback affect your decision whether to make an investment to service quality or not?
2. Anything else you would like to mention?

Appendix B: Condensed answers to measurement questions.

Section 1: Service quality			
1: Defined as such, how much does the sport centre focus on increasing service quality, compared to, for example, growing the customer base?	2: What is, in your opinion, the most important factor in service quality?	3: How does the feedback given to the sport centre affect service quality in the sport centre?	4: How much does the sport centre gather feedback before making changes in the sport centre?
Service quality is the focus, customers do not like to switch services, but if they feel like they have to, they are gone for good.	Human contact, especially the first contact. It is in Finnish culture that at the beginning they are shy. Also cleanliness of the facility.	It affects small things and fixes, like placements of trash cans. However, sometimes the feedback cannot be acted on and in those cases nothing happens.	All the feedback will be processed and if there is no chance for the change then that it said directly
Service is the most important thing. The focus is also on competition and keeping the space operational. Thinking of customer needs is important. Equipment and staff knowledge is important.	Most important thing is that people are happy when they leave. And problems need to be solved.	Immediate response after which possible solutions are considered.	No standard response, if something can be done, then it is.
There is no quality measurement done in the sport center. The feedback comes from the sport organizations using the hall who ask for example new equipment or basic repairs.	Friendliness.	Sport associations using the sport centre give feedback on what should be fixed and if they wish some equipment to be added.	More specified questions are asked before doing a change. However, there is an attitude that every feedback is valuable.
There is little to no marketing. It is important to keep the playing conditions good, so customers do not want to leave.	That fields are in a good condition.	If something is broken, it should be fixed. Topics are quality factors.	No standard procedure. Changes that go against the vision are not done and things that can be fixed will be fixed.
Places and equipment are in good condition. Service is essential and can be used to differentiate. There is always a person at reception. Feedback is being improved on and better ways of communication are being sought. The amount of available activities has doubled since the beginning.	Most important is that the facility and equipment work, since if they don't, the customers cannot do sports.	Feedback is usually specific, and we can immediately react to it. Customer service is subjective and harder to improve on.	The budget has already been assigned to the bigger chances, so the timing is the biggest factor that is being determined. On smaller request it has to be calculated will they pay themselves back. One request on a corridor isn't enough for a change.
The core function is the service quality.	Personality and speed.	If feedback is sensible, it has a large effect. If it is more abstract, it is harder to implement. Individual feedback is read through thoroughly.	Big changes are not made based of singular feedback. Functionality is a major part. Attitude is that "why wouldn't we improve the customer experience".
Service quality is the most important aspect. The facility has to be in good condition.	Staff.	We take customer wants into account, for example serving vegans. Facility related things and when those are faulty, we aim to react as fast as possible. Every feedback is taken into account and the changes are done keeping the overall picture in mind.	Depends on the topic and context. We aim for a fast response. If a change has been made but the customers are unhappy with it, we keep the change and explain why to the customer.
Service quality is improved based on the financial ability to do so.	Staff. Taking customers into account is important.	We aim to react but financials sometimes restrict what can be done.	We want a lot of feedback before making changes. We calculate the profitability.

Section 2: Gathering customer feedback				
1: What is the sport centre's view on gathering feedback?	2: What type of feedback are you currently getting?	3: What methods are you currently using to gather feedback?	4: How often do you ask customers for feedback?	5: What is your estimate of the response rate?
Improvement suggestions are necessarily, the worst situation is that something is wrong, but no one notifies, and customers just leave. We gather too little feedback and we should ask for it more than we do.	Negative feedback is more usual. However, there is common spirit among customers. Topics usually are the cleanliness, things left undone and other small things. However, all feedback isn't necessarily relevant.	Feedback through Google, but most often to the cafeteria receptionist, also a possibility to give feedback through reserving system, e-mail and net page. There used to be a feedback box but it didn't receive feedback. We have had a survey asking feedback, but it has been a couple of years from that. The survey asks more improvement suggestions but also satisfaction and positive things	(Rarely.)	Response rate is around 25%
Feedback comes from the customers to the sport centers. There is no active method to gather feedback such as feedback box.	Topics like cleanliness and leaks. Sometimes customers have gotten offended, but usually that has been because of a misunderstanding. Sometimes coaches get feedback, mostly positive. Overall, feedback is more positive. Negative feedback is from little things. Although in most cases the feedback is a mix of good and bad. And sometimes things cannot be fixed immediately.	No system for gathering feedback. Sometimes employees give feedback too	NA	NA
Researching feedback is important. "Without collecting data, it cannot be said have we succeeded."	Mostly positive or improvement feedback.	No system for gathering feedback, sport associations notify if something is wrong.	NA	NA
It is important to give the customer a chance to give their opinion.	We get positive feedback, especially on our fields.	Receptionist gets most of the feedback (95%) and Facebook gets a little (5%).	NA	NA
Sport centers do not gather feedback regularly even though they should.	Price questions are typical topics as well as customer service quality. Both positive and negative, mixed. Around half of the feedback have something positive in them.	We gather customer information to a register so that we can send surveys through e-mail.	During summer there is a larger survey, which is done yearly, send through e-mail.	30% - 40%. There needs to be some grace, so that there isn't too many reminders.
Feedback is very important.	Feedback is usually positive, so much in fact, that improvement options are difficult to find.	Yearly customer satisfaction questionnaire. Sport coaches are also interviewed. Social media channels are also good and taken into account. (We also have a customer feedback erasable board where anyone can write feedback that they have in mind and it is very popular.)	Yearly.	Real effort needs to be made in order to get feedback, around 20% - 30% respond.
Feedback is important. Changes required are usually already known.	Positive feedback rarely comes face to face. Google and firms website there is positive feedback. In the satisfaction questionnaire has both negative and positive. From feedback box and e-mail gives negative feedback or improvement suggestions.	Open feedback box, customer service e-mail and feedback given through reserving system. Once a year there is a customer satisfaction survey through e-mail and Facebook. We have an employee whose role is to talk with the customers and find out their opinions and gather feedback.	Yearly.	700 – 800 answers. 3 500 e-mails in the register. (That means roughly 20%.)
It is important but as a person who has worked for a long time here, I can tell what should be done.	Mostly positive feedback. Customers are afraid to give negative feedback so we hope that they would give it more.	Feedback is gathered once a year by paper feedback questionnaire. There is also a feedback form in the website. E-mail is rarely used. There is a possibility to give feedback in the online reservation system.	Yearly.	10 %

6: How do you think your customers react to the request to provide feedback?	7: How often do you receive feedback from customers that you didn't ask for?	8: Do you encourage customers to give feedback? How?	9: How frequently do you receive feedback face to face compared to online? Which is the most important in terms of usefulness?	10: How do you communicate to the customer that you hear their feedback?	11: How do you react to feedback that is impossible to implement? How often do you get this type of feedback?
NA	Feedback from small things is given daily.	NA	Face to face feedback is over 50% of all the feedback.	Immediate feedback.	You say the truth and explain when necessary.
NA	(All the feedback comes from customers)	An attempt to encourage feedback is to create a relaxing atmosphere where to give feedback. There is no sign asking for feedback. Staff is familiar with the customers.	E-mail is slightly more popular than other channels.	We respond as soon as the question is asked. Then the customers see if anything has changed the next time they visit.	An appropriate response is given, but sometimes nothing can be done.
NA	(All the feedback comes from customers)	Encouragement is done by providing means of giving feedback	Mostly through surveys. Although social media is becoming more popular. The surveys are not interactive.	By answering to questions.	We tell the truth, if something cannot be done, we thank them and tell them our estimation for the problem. If the direction is the same where we are heading, then we tell them that. There are also things that we cannot affect, in which case we say that we also hope it will be better in the future.
NA	(All the feedback comes from customers)	We have no methods to encourage customers to give feedback	Face to face feedback is most important and gives better feedback.	Customers are told that the information is valuable to the sport centre.	We keep a strict policy that only certain payment methods are accepted. If very many people want a change, then it is considered but otherwise we say that it isn't possible and give our reasoning.
No one is annoyed because of the request. If they want to, they can cancel their subscription on the e-mail list.	(E-mail feedback is around 8-10 per month, although the amount is increased if there are events).	Encouragement is done by words and asking the customer to stay in touch. The feedback is always responded to and this shows that the feedback has been received.	Indirect feedback is not used frequently, most feedback comes face to face. Surveys reach a wider number of customers but face to face feedback is more personal.	If it can be immediately fixed, it is pointed out to the customer. We thank for the feedback even though we couldn't do anything about it. Smaller changes done because of customer feedback are not mentioned to be caused by customer feedback.	We reply and explain why we cannot do the requested change.
Yearly questionnaire seems to carry the attitude of "I couldn't be bothered to answer" but if there is something immediate, it comes through more direct channels.	Electronic channels give weekly feedback.	Feedback is encouraged in social media, where they ask for it. Coaches also ask for feedback to themselves.	All the channels are essential, both for the more immediate feedback as well as feedback that comes up later on.	Every message will be replied to. If a change was asked, the customers are informed when and what was changed and why.	Depends on the context. Sometimes those are just passed with a thank you.
Some answer gladly and some just skip. The amount of engagement (visits) with the sport center and the willingness to give feedback are linked	During one week there can be a lot of feedback. Sometimes there is some clear improvements that need to be done.	We have an employee whose role is to talk with the customers and find out their opinions and gather feedback. (Verbal encouragement.)	Common things are said through all of the channels equally. If something lingers, it usually comes with an e-mail but most are handled through face to face discussion. Customer discussion can change between discussions but e-mail stays clear and the original message will stay unchanged. Both are important.	We call or reply by e-mail. Questionnaire results are not published. If something has been asked by the customers for example to the cafeteria, we advertise that it was done because of the feedback. Bigger changes have already been known so customer feedback is not brought up.	We tell the reasons why something cannot be changed.
Small percentage sees it as important. We try to communicate that the customer opinions matter.	If something doesn't work, we get feedback. Doesn't come face to face, comes through the online form or through e-mail. Maybe it is the Finnish culture.	We say to the customers: "please give feedback". Many customers are still afraid to come to talk about the problems. (We encourage to give feedback by offering a product price. We also make a summary of the yearly feedback survey and display the results, showing our commitment to listen to feedback)	Face to face feedback is around 5% , the online form is around 10% and then the yearly survey is the rest (85%) The most important is the once a year paper questionnaire because it is broad and gives the general picture.	From the feedback a summary is done which is posted on an information board	If something cannot be done, we put that to the summary or just tell the customer personally that it is not possible.

Section 3: Measuring customer feedback			
1: What kinds of things are you hoping to find out with customer feedback?	2: Do you have a system or a method for interpreting and logging the feedback you get?	3: Do you make changes based on observational feedback?	4: How is the feedback reported to the head of the company?
Improvement suggestions.	Time comparison. SurveyMonkey and other programs are used. No measures or ratios. If there is too much systematic feedback, it can be more trouble than it is worth.	Changes are done also by observing customers, for example phone charging stations.	NA
Knowledge of flaws. Positive feedback.	Flexible system. Feedback is delivered to the right people. If there is a problem, it must be solved as soon as possible. No time comparison, but the amount of negative feedback has decreased. There is no measurement. The feedback circulates through a small person, everyone is connected.	NA	Board meetings usually handle bigger improvement suggestions.
Improvement ideas which we have not noticed	No method is used to interpret sport center feedback.	If customers see some service aspect important but do not use it, the use will determine if it is done or not.	No reporting done in the board.
Flaws and problems.	Customers tell. There is no system but when customers become familiar with the staff, they have the courage to tell if something is wrong.	If something isn't used, then it isn't done. For example, a massage service, which was discontinued because of the low use.	No reporting done in the board.
We hope for positive feedback and improvement ideas that we can react to.	Net survey is sent during summer and an application makes visual graphs from the answers. No special tools are used but results are compared to previous years reports. Open answers are usually the best source of information.	There are things that do not, even in our opinion, work well and we know we need to fix them. This helps in predicting problems.	The board gets a processed report on feedback.
Improvement ideas. Negatives can be found without feedback but the needs of the customer can be only found through feedback.	Questionnaire template in google. Questionnaire will be compared to previous ones. There are measurement questions in the questionnaire but there is nothing specific.	If no one uses a program, then it is discontinued. Same with courses. People vote with their feet.	We monitor feedback carefully and the messages are brought to all the way to the top.
Improvement suggestions and positive feedback.	Feedback are looked through one by one and replies are made depending on the subject. As a scale we ask the customers to rate various things from 1 to 100.	NA	The board follows the numbers.
Where we have succeeded and where we should improve.	There is no system for collecting and analyzing feedback. We go through the questionnaire and analyze it. We measure how the customer is received and how the facility compares to customer expectations.	NA	We go through the feedback once in a month.

Section 4: Additional questions			
1: What other reasons outside of feedback affect your decision whether to make an investment to service quality or not?	2: Seasonality		
We (the staff) can relate to the customers and are customers themselves, so they can also observe what needs to be improved and what is done well. The other halls around Finland (and the sport center association) offer advice and ideas. They are a support network instead of being competitors	Seasons affect the business, best time is from November to March. Rain and windy weather is an advantage.	3 : way of thinking	
The staff and the managers think of service quality improvements as well. Money is a limiting factor. The area also develops and can affect planning.	Marketing is done depending on the season. Competitions are used to lure people in during summer off season.	The way of thinking of customer feedback has evolved over the time. At the beginning everyone just thought it was great to even have a place where to play. Then, when feedback started to come it was mostly ignored. Now the service is more customer focused and aims to improve the service quality.	4: Ownership
NA	NA	NA	In the sport centre, continuous surveillance of quality has not been seen as important, the municipality owns a big part of the sport centre.
Competitions activities	Business is seasonal. Training camps and opportunities to host tournaments are done during summer when there are less people.	NA	5: Spreading feedback
Legal changes, economical changes, work law rules. Also, collaboration with other sport centers and local workers gives ideas.	Seasonality, there is a problem on how to bring more people in during summers. Weather has a big effect. July is a good month to do maintenance and have holidays for staff. Perhaps ideas of how to combat seasonality can be found through feedback.	NA	Negative feedback should be kept in a small circle whereas positive feedback should be given to everyone.
Competitors. Couches pay.	NA	NA	NA
World changes and the customers change. The opinions and viewpoints change, for example ecological thinking. We preserve water and use more sustainable products. Other sport centers and other sources give ideas for changes in service quality. It is important to think outside of the box.	NA	6: Mere measurement plus	7. involving customers.
The financials affect a lot. The connections to the Finnish sport center association which gathers once in a year. The other sport centers are not a threat, they are a strength.	NA	Other customers, even those that do not answer to the feedback survey are affected by the act of asking feedback.	We assembled a group of 20 persons who imagined the perfect sport centre, which was used as a goal for the sport centre. The idea is to get closer to the ideal.

Appendix C: Coded answers to measurement questions

1: How much does the sport centre focus on increasing service quality, compared to, for example, growing the customer base?	2: What is, in your opinion, the most important factor in service quality?	3: How does the feedback given to the sport centre affect service quality in the sport centre?	4: How much feedback does the sport centre gather before making changes in the sport centre?
Service quality is the main focus (6). Environment quality (4). Interaction quality (1). Competition (1). Program quality (1). No quality measurement (1).	Client-employee interaction (5). Environment quality (3). Outcome quality (1).	Fixes to problems (8). Improvements to service quality (5).	Feedback brings issue into consideration (8). All feedback is read (2).
Service quality is the main focus.	Client-employee interaction. Environment quality.	Fixes to problems.	Feedback brings issue into consideration. All feedback is read.
Service quality is the main focus. Environment quality. Competition.	Outcome quality.	Fixes to problems.	Feedback brings issue into consideration.
No quality measurement.	Client-employee interaction.	Fixes to problems. Improvements to service quality.	Feedback brings issue into consideration. All feedback is read.
Environment quality.	Environment quality.	Fixes to problems. Improvements to service quality.	Feedback brings issue into consideration.
Service quality is the main focus. Environment quality. Interaction quality. Program quality.	Environment quality.	Fixes to problems. Improvements to service quality.	Feedback brings issue into consideration.
Service quality is the main focus.	Client-employee interaction.	Fixes to problems. Improvements to service quality.	Feedback brings issue into consideration.
Service quality is the main focus. Environment quality.	Client-employee interaction.	Fixes to problems. Improvements to service quality.	Feedback brings issue into consideration.
Service quality is the main focus.	Client-employee interaction.	Fixes to problems.	Feedback brings issue into consideration.

1: What is the sport centre's view on gathering feedback?	2: What type of feedback are you currently getting?	3: What methods are you currently using to gather feedback?	4: How often do you ask customers for feedback?	5: What is your estimate of the response rate?	6: How do you think your customers react to the request to provide feedback?
Gathering feedback is necessary (6). Feedback is gathered too little (2). Most problems can be seen without feedback (2). Customers responsible for giving feedback (1)	Positive feedback is more common (5). Feedback is a mix of positive and negative (3). Improvement suggestions (3). Cleanliness (2). Wish to have more negative feedback (2). Not all feedback is relevant (1). Negative feedback is more common (1). Misunderstandings (1). Price inquiries (1).	Survey (5). Reservation system (3). E-mail (3). Receptionist (2). Website (2). Employees (2). Social media (2). Feedback box (1). Feedback erasable flat board (1). Google review (1). Designated gatherer (1).	Yearly (4). Not at all (3). Rarely (1)	35%. 25% (2). 20%. 10%.	Customer indifference (2). No negative response (1). Active customers give more feedback (1). Small number of customers see feedback as important (1).
Gathering feedback is necessary. Feedback is gathered too little.	Cleanliness. Not all feedback is relevant. Negative feedback is more common.	Google review. Receptionist. Reservation system. E-mail. Website. Survey.	Rarely.	25 %	NA
Customers responsible for giving feedback.	Positive feedback is more common. Feedback is a mix of positive and negative. Cleanliness. Misunderstandings. Improvement suggestions.	Employees.	Not at all.	NA	NA
Gathering feedback is necessary.	Positive feedback is more common. Improvement suggestions.	E-mail.	Not at all.	NA	NA
Gathering feedback is necessary.	Positive feedback is more common.	Receptionist. Facebook (social media).	Not at all.	NA	NA
Feedback is gathered too little.	Feedback is a mix of positive and negative. Price inquiries.	Survey.	Yearly.	30% to 40% (35%)	No negative response.
Gathering feedback is necessary.	Positive feedback is more common. Wish to have more negative feedback.	Survey. Employees. Social media. Feedback flat board.	Yearly.	20% to 30% (25%)	Customer indifference.
Gathering feedback is necessary. Most problems can be seen without feedback.	Feedback is a mix of positive and negative. Improvement suggestions.	Feedback box. E-mail. Reservation system. Survey. Designated gatherer.	Yearly.	20 %	Customer indifference. Active customers give more feedback.
Gathering feedback is necessary. Most problems can be seen without feedback.	Positive feedback is more common. Wish to have more negative feedback.	Survey. Website. Reservation system.	Yearly.	10 %	Small number of customers see feedback as important.

7: How often do you receive feedback from customers that you didn't ask for?	8: Do you encourage customers to give feedback? How?	9: How frequently do you receive feedback face to face compared to online? Which is the most important in terms of usefulness?	10: How do you communicate to the customer that you hear their feedback?	11: How do you react to feedback that is impossible to implement? How often do you get this type of feedback?
All the feedback comes from customers (4). Couple per week (2). Many per week (2).	Verbal encouragement (4). Atmosphere (1). Friendliness (1). Providing feedback channels (1). Public summary of the feedback (1). Responding to feedback(1). Not methods (1).	Most frequent: Face to face (3). Online (3). Both (1). Most important: Face to face (1) Online (1)Both(3)	Responding to feedback (8). Informing the customer about the effect (3). Public summary of the feedback (1).	Honest communication (8).
(All the feedback comes from customers)	NA	Most frequent : Face to face	Responding to feedback.	Honest communication.
(All the feedback comes from customers)	Atmosphere. Friendliness.	Most frequent : E-mail (Online).	Responding to feedback.	Honest communication.
(All the feedback comes from customers)	Providing feedback channels.	Most frequent : Survey(Online). <i>Social media increasing.</i>	Responding to feedback.	Honest communication.
(All the feedback comes from customers)	No methods.	Most frequent : Face to face. Most important: Face to face	Responding to feedback.	Honest communication.
Couple per week.	Verbal encouragement. Responding to given feedback.	Most frequent : Face to face. Most important: Both.	Responding to feedback. Informing the customer about the effect.	Honest communication.
Couple per week	Verbal encouragement.	Most important: Both.	Responding to feedback. Informing the customer about the effect.	Honest communication.
Many per week	Verbal encouragement.	Most frequent : Both. Most important: Both.	Responding to feedback. Informing the customer about the effect.	Honest communication.
Many per week	Verbal encouragement. Public summary of feedback given.	Most frequent : Survey(Online). Most important: Survey	Responding to feedback. Public summary of the feedback.	Honest communication.

1: What kinds of things are you hoping to find out with customer feedback?	2: Do you have a system or a method for interpreting and logging the feedback you get?	3: Do you make changes based on observational feedback?	4: How is the feedback reported to the head of the company?
Improvement ideas (5). Positive feedback (4). Problems (3).	Survey is analysed (5). Time comparison(3). Instinctive time comparison (1). Feedback is delivered to the right people (1). Too much systematic feedback can be a problem (1).	Usage determines if something is done (5).	Feedback is discussed at the head of the company (5). Processed report on feedback (2). No reporting done in the board (2). The board follows the numbers (1). Feedback discussed once in a month (1). Big suggestions are discussed (1).
Improvement ideas.	Time comparison. Survey is analysed. Too much systematic feedback can be a problem.	Usage determines if something is done.	NA
Problems. Positive feedback.	Feedback is delivered to the right people. Instinctive time comparison.	NA	Feedback is discussed at the head of the company. Big suggestions are discussed.
Improvement ideas.	No method.	Usage determines if something is done.	No reporting done in the board.
Problems.	No method.	Usage determines if something is done.	No reporting done in the board.
Problems. Positive feedback.	Survey is analysed. Time comparison.	Usage determines if something is done.	Feedback is discussed at the head of the company. Processed report on feedback.
Improvement ideas.	Survey is analysed. Time comparison.	Usage determines if something is done.	Feedback is discussed at the head of the company. Processed report on feedback.
Improvement ideas. Positive feedback.	Survey is analysed.	NA	Feedback is discussed at the head of the company. The board follows the numbers.
Improvement ideas. Positive feedback.	Survey is analysed.	NA	Feedback is discussed at the head of the company. Feedback discussed once in a month.

1: What other reasons outside of feedback affect your decision whether to make an investment to service quality or not?	2: Seasonality		
Advice from other Sport centres (4). Personnel observations (2). Financials (3). Competition (2). Legal changes (2). Changes in the surrounding area (1). Environmental consciousness (1).	Business is seasonal (4). Weather has an effect (3). Summer competitions (2). Marketing is seasonal (1). July for maintenance and holidays (1). Summer Training camps (1).		
Personnel observations. Advice from other Sport centres.	Business is seasonal. Weather has an effect.	3: Way of thinking	
Personnel observations. Financials. Changes in surrounding area.	Marketing is seasonal. Business is seasonal. Summer competitions. Weather has an effect.	The way of thinking of customer feedback has evolved over the time from operation focused to customer focused.	4: Ownership
NA	NA	NA	In the sport centre, continuous surveillance of quality has not been seen as important, the municipality owns a big part of the sport centre.
Competition.	Business is seasonal. Summer Training camps. Summer competitions.	NA	5: Spreading feedback
Legal changes. Financials. Advice from other Sport centres.	Business is seasonal. Weather has an effect. July for maintenance and holidays.	NA	Negative feedback should be kept in a small circle whereas positive feedback should be given to everyone.
Competitors. Financials	NA	NA	NA
Environmental consciousness . Advice from other Sport centres.	NA	6: Mere measurement plus	7. involving customers.
Financials. Advice from other Sport centres.	NA	Other customers, even those that do not answer to the feedback survey are affected by the act of asking feedback.	We assembled a group of 20 persons who imagined the perfect sport centre, which was used as a goal for the sport centre. The idea is to get closer to the ideal.